

Housing

Catawba County Board of Commissioners



February 6, 2017



AGENDA

1.



KEY OBJECTIVES

2.



KEY TERMS

3.



CURRENT STATE

4.



MOVING FORWARD

KEY OBJECTIVES





KEY OBJECTIVES

#1

HOUSING APPROACHES

Identify housing approaches that contribute to overarching goal of growing working-age population.

#2

LINKAGE

Gain BOC consensus on linkage between economic development/retail and housing.



KEY TERMS





KEY TERMS

- > **Area Median Income (AMI):** The mid-point income level where half of the incomes are above and below.
 - In Catawba County, the area median income for a four person household is \$53,200.
- > **Workforce Housing:** Accommodates a household earning between 80% - 120% of AMI.
 - In Catawba County, this range is roughly \$42,560 to \$63,840.
- > **Cost Burdened:** Households that spend over 30% of gross income on housing expenses including mortgage, insurance, and utilities.



CURRENT
STATE



OVERVIEW HOUSING STOCK



Age of Stock

Composition

Trends in Preference



AGE OF STOCK

MSA	% Built before 1980	Ranking (1=Highest %)	% Built between 1980 & 1999	Ranking (1=Highest %)	% Built 2000 or later	Ranking (1=Highest %)
Asheville	44.0	7	34.6	11	21.4	10
Burlington	48.8	2	29.2	15	22.0	9
Charlotte	35.0	11	34.5	12	30.5	5
Durham	38.6	9	35.2	9	26.2	6
Fayetteville	40.2	8	37.0	4	22.8	8
Goldsboro	44.3	6	37.9	3	17.8	14
Greensboro	46.0	5	34.3	13	19.7	11
Greenville	32.1	13	35.4	7	32.5	4
Hickory	49.4	1	35.5	6	15.1	15
Jacksonville	26.1	14	34.9	10	39.0	1
New Bern	37.9	10	36.1	5	36.0	2
Raleigh-Cary	24.9	15	39.6	2	35.5	3
Rocky Mount	46.2	4	35.3	8	18.5	13
Wilmington	32.7	12	41.2	1	26.1	7
Winston-Salem	48.4	3	32.9	14	18.7	12



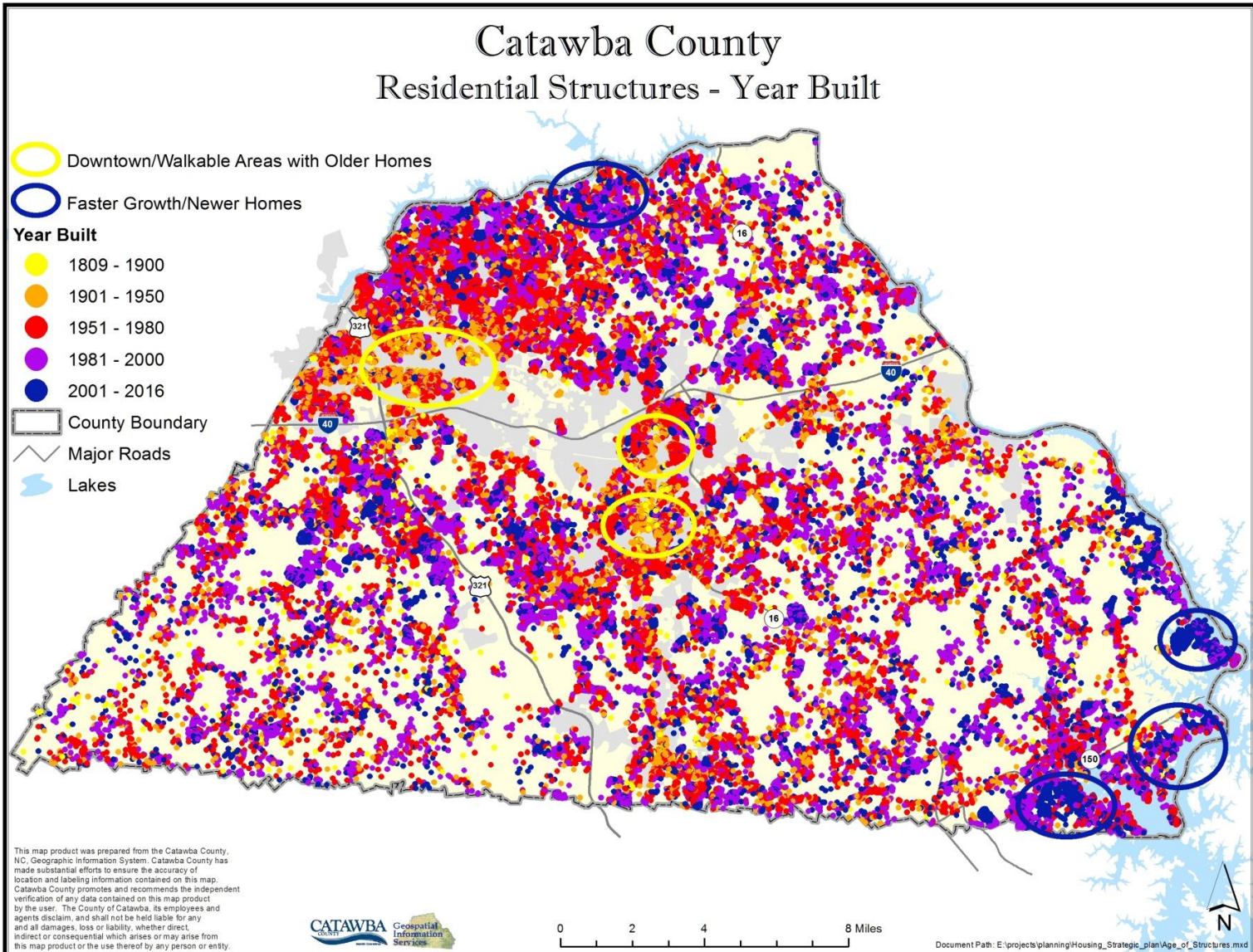
AGE OF STOCK

Percentage of Homes by Year Built of Housing Units for Hickory MSA Counties, 2015

Year	Alexander	Burke	Caldwell	Catawba
Built 2010 to 2015	0.8%	1.7%	0.9%	1.7%
Built 2000 to 2009	16.4%	10.8%	12.2%	15.4%
Built 1990 to 1999	19.2%	23.3%	17.0%	18.9%
Built 1980 to 1989	16.1%	16.1%	11.5%	18.2%
Built 1970 to 1979	19.8%	16.3%	20.1%	17.4%
Built 1960 to 1969	12.6%	13.9%	14.7%	10.2%
Built 1950 to 1959	5.9%	9.1%	10.3%	7.3%
Built 1940 to 1949	3.5%	4.3%	6.3%	4.5%
Built 1939 or Earlier	5.7%	4.6%	6.9%	6.4%



AGE OF STOCK





COMPOSITION

There are 67,866 housing units in Catawba County.



1,451 units for rent
729 units for sale
1,842 seasonal units
3,345 other vacancies



TRENDS IN PREFERENCE

YOUNG PROFESSIONALS SURVEY

- > Conducted in 2014 by Chamber of Commerce
- > Respondents prefer:
 - Near walkable, amenity-filled neighborhood
 - Near downtown
 - Historic character

HICKORY DOWNTOWN LIVING SURVEY

- > Conducted in 2016 by Chamber of Commerce
- > Respondents prefer:
 - Single-family detached
 - Own not rent
 - Small homes
 - Some want rentals – townhomes or lofts



TRENDS IN PREFERENCE

*“We have many clients that request being near downtown but **want a walk-in ready home and the choices are very slim.** As realtors **we struggle to find what our clients want especially near downtown.** We need new construction!”*

-Meredith Carswell, RE/MAX

Realtor interviews reveal that residents ask for housing:

- > Near their job
- > Move-in ready

Some ask for “country living” and consider school district when choosing housing.



HOUSING PRICES & AFFORDABILITY



Housing Market
Forecast

Market Conditions

Housing Affordability

Lack of New
Construction



HOUSING MARKET FORECAST

Five Housing Trends of 2017

National Association of Realtors

1. Millennials and Boomers will dominate the market.
2. Midwestern cities will continue to be hotbeds for Millennials: Madison, WI, Columbus, OH, Omaha, NE.
3. Slowing price appreciation - 3.9% annually compared to 4.9% in 2016.
4. Fewer homes on market and fast-moving markets - inventory down 11% in top 100 metro markets.
5. Western cities will continue to lead the nation in prices and sales - prices to increase 5.8% and sales to increase 4.5% in this region.



HOUSING MARKET FORECAST

Zillow Seven Predictions:

1. Cities will focus on denser development
2. More Millennials will become homeowners
3. Rental affordability will improve
4. Buyers to spend more on new homes as construction costs rise
5. Percentage of people who drive to work will rise
6. Home values will grow 3.6%
7. 2017 to be the fastest real estate market on record. Homes on the market average 52 days nationally, should decrease



MARKET CONDITIONS

Comparison Counties:

Alexander County

Burke County

Cabarrus County

Caldwell County

Catawba County

Cleveland County

Gaston County

Iredell County

Lincoln County

Mecklenburg County

Rowan County

Union County

- > Of comparison counties, Catawba County has highest percentage (28%; 7,312) in \$100,000-\$150,000 range based on home values of owner-occupied units with a mortgage.
- > Catawba County outperforms comparison counties in the following categories:
 - 72% of Catawba County homeowners spend less than 30% of gross income on housing.
 - 53% of Catawba County renters spend less than 30% of gross income on housing.



MARKET CONDITIONS

- > Median sales price:
 - 2016: \$135,00
 - 2007: \$129,900
- > Homes in \$150,000-\$300,000 range have recovered pre-recession values; homes over \$300,000 have not.
- > Average days on market:
 - 2016: 136
 - 2007: 134
- > Number of homes sold:
 - 2016: 1,549
 - 2007: 1,598





HOUSING AFFORDABILITY

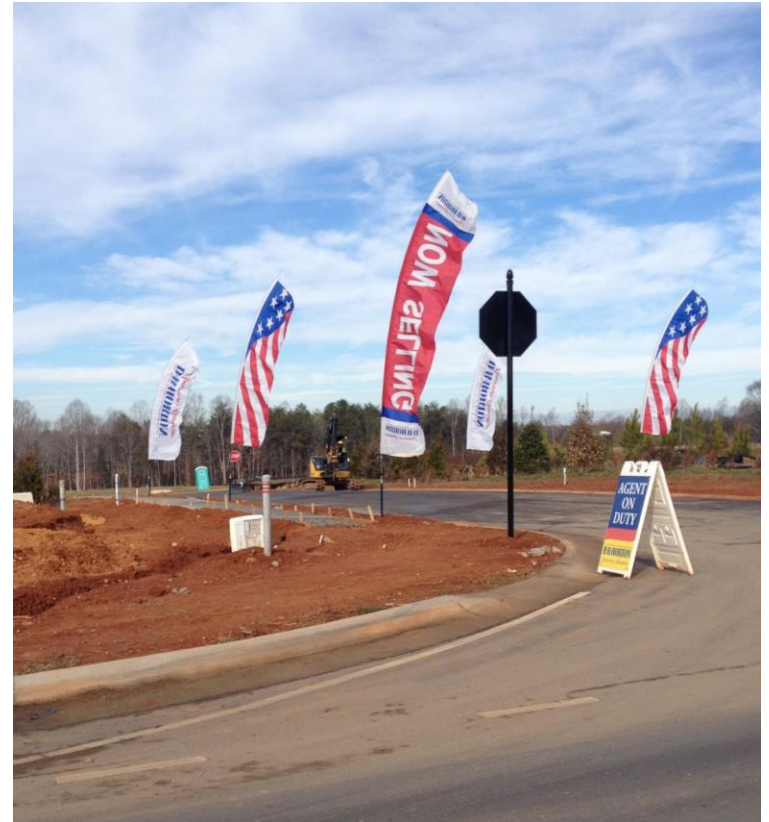
Source	Income	Buying Power: 2.5 x Annual Income
National Median Household Income (Dual Earner)	\$67,348	\$168,370
National Median Household Income (Single Earner)	\$46,326	\$115,815
Catawba County AMI (Four-person Household)	\$53,000	\$132,500
Catawba County AMI (Average Household Size, 2.5 Members)	\$52,908	\$132,270
Common Low/Moderate Grant Income Threshold Catawba County ≤80% of AMI (Four-person Household)	\$42,400	\$106,000
Catawba County Government Employee Median Income	\$42,361	\$105,902
Catawba County Average Annual Salary (EDC 2016)	\$40,576	\$101,400



LACK OF NEW CONSTRUCTION

Sherrills Ford Realtor Interview:

- > Homes at any price below \$350,000 are in demand and sell quickly.
- > There is not enough new stock.
- > If clients will not wait to build or find a move-in ready home, they will choose to live in other counties.
- > Sherrills Ford clients have option to live in Lincoln, Iredell, or Mecklenburg.



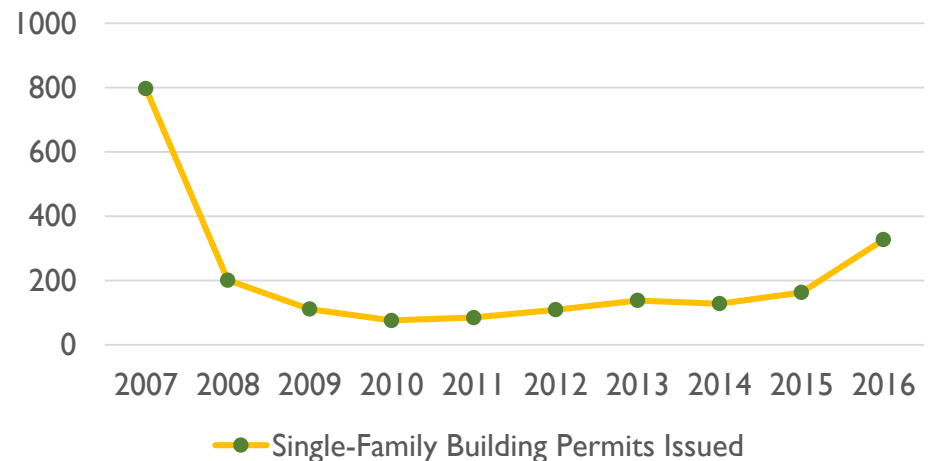


LACK OF NEW CONSTRUCTION

- > Realtor interviews reflect belief that shortage of new construction stems from lack of builders.
 - Local builders unwilling to build spec homes.
 - National builders traditionally have not developed in Catawba County.

- > Single-family building permits have been trending slightly upward over the last four years.
 - 2016: 327
 - 2007: 737

Single-Family Building Permits Issued





EXISTING HOUSING PROGRAMS/POLICY



Existing Program
Overview

County Policies



EXISTING PROGRAM OVERVIEW

Programs Funded by Grant Dollars

Already Received:

1. First-time homebuyer assistance (down payment; credit counseling)
2. Owner-occupied home rehabilitation
3. Urgent/emergency home repair
4. Foreclosure prevention services/counseling
5. Rental housing development and restoration
6. Tenant based rental assistance
7. New housing construction, relocation, & demolition
8. Handicap accessibility remodeling
9. Weatherization & furnace replacement
10. Energy conservation & home based renewable energy
11. Lead based paint removal



COUNTY POLICIES

Pre-2007

Regulations Impacting Housing

1. 2-acre minimum lot density-school capacity moratorium
2. Mobile homes allowed in 80+% of County
3. Only 3 general residential zoning districts-not tied to density
4. No additional density allowance tied to utilities

Post-2007

Regulations Impacting Housing

1. Eliminated the 2-acre minimum lot size
2. Reduced mobile home allowance to approximately 30%
3. Zoning districts based on density
4. Density bonuses allowed in concert with utilities
5. Included more amenities i.e. sidewalks, open space, street trees



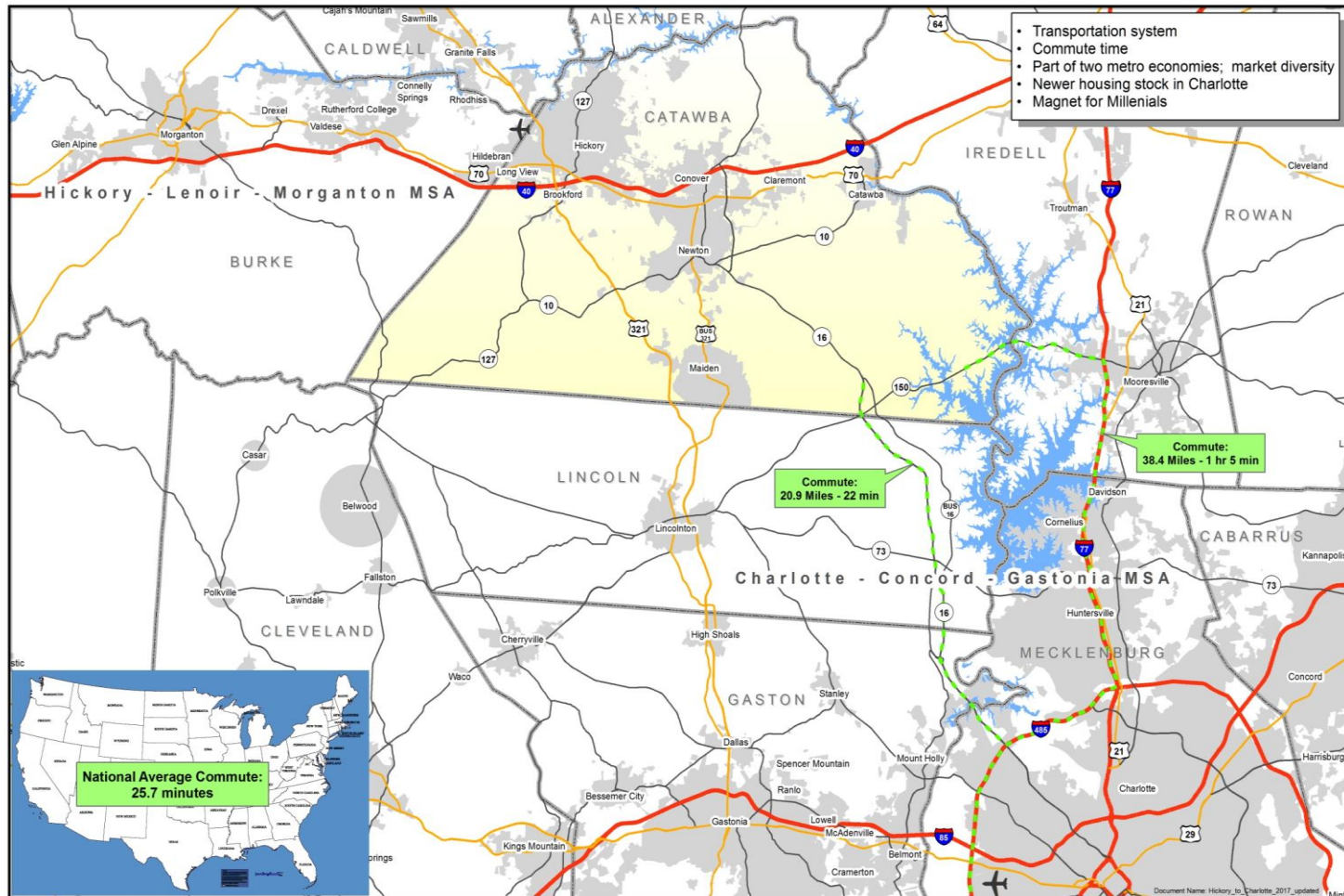
MOVING
FORWARD





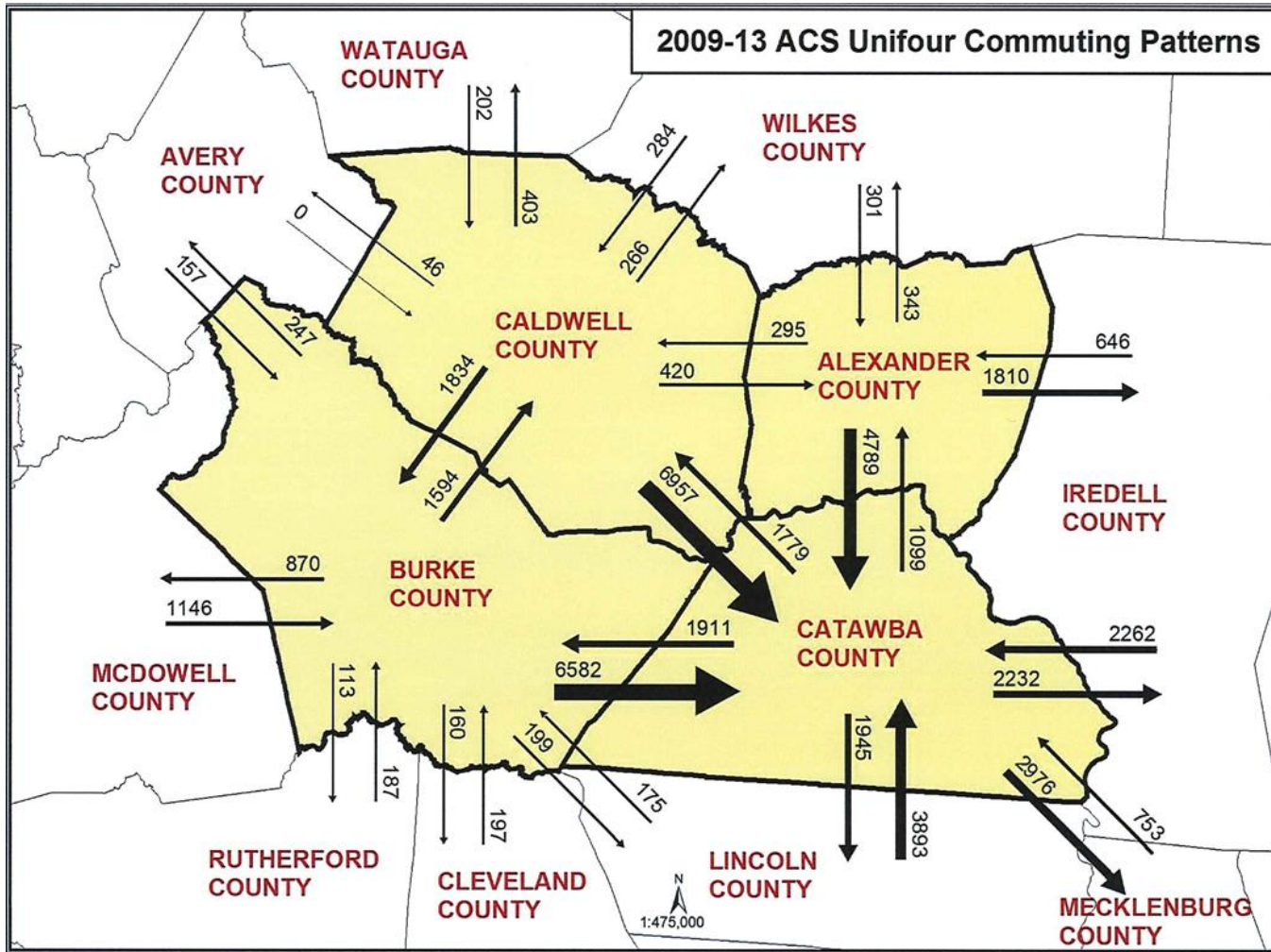
COUNTY POSITIONING

Catawba County's location and proximity is an asset.

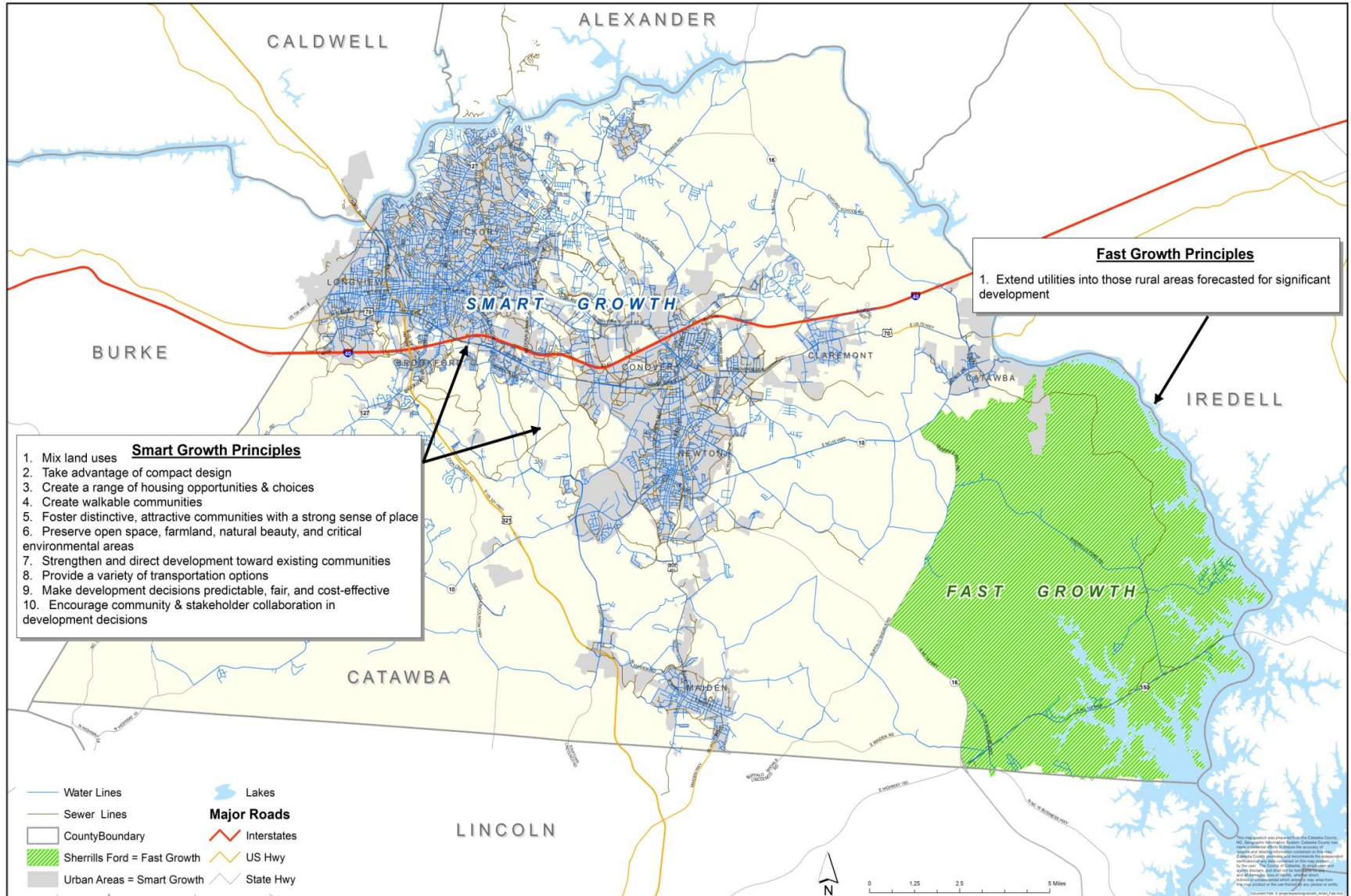




Catawba County is a workforce center.



SMART/FAST GROWTH POLICY





KEY TAKEAWAYS

- > **Affordability:** Large number of housing units priced in the affordable range.
- > **Location:** Many of these housing units are located within the cities.
- > **Quality:** Large number are more than 30 years old, many needing repairs.
- > The “sweet spot” is where affordability, location, and quality intersect. Data shows a deficit at that point.
- > The sweet spot may be achieved through strategies focused upon smart growth and fast growth areas of our community.





MOVING FORWARD

Short Term Staff Actions:

1. Provide input for Utilities and Engineering for Water and Sewer Prioritization Tool that incorporates infill potential.
2. Participate in WPCOG's *Vacant and Substandard Housing Taskforce*.
3. Engage cities and COG in local programs discussions to explore possibility of aligning housing policies and joint venture program investments.
4. Continue to watch the market and propose text amendments to facilitate ease of development as needed.
5. Explore incentives for workforce housing through fee rebates, deferred loans and expedited approval process.



MOVING FORWARD

Long Term Staff Actions:

1. Explore for potential applicability to Catawba County:
 - a. Centralina COG's CONNECT Our Future housing initiatives
 - b. Michigan's statewide housing initiatives
 - c. Other national best management practices
2. Explore/evaluate feasibility of establishing an annual national, state, or regional Housing Exposition at Hickory Metro Convention Center.
3. Consider public investments in neighborhood and infill revitalization initiatives for workforce housing modeled after CDBG and HFA and First Time Homebuyer programs.

QUESTIONS?

